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**AMENDMENT TO H.R. 4200, AS REPORTED
OFFERED BY MR. HASTINGS OF FLORIDA**

Page 424, after line 12, insert the following new section:

1 **SEC. ____.** **REPAYMENT OF RECONSTRUCTION COSTS IN**
2 **IRAQ.**

3 (a) **FINDINGS.**—Congress finds the following:

4 (1) In a September 18, 2002, article in Reuters
5 News, former Director of the Office of Management
6 and Budget Mitch Daniels expressed his belief that
7 the costs of a war in Iraq would be between
8 \$50,000,000,000 and \$60,000,000,000.

9 (2) On September 30, 2002, the Congressional
10 Budget Office (CBO) wrote “. . . [T]he incre-
11 mental costs of deploying a force to the Persian Gulf
12 (the costs that would be incurred above those budg-
13 eted for routine operations) would be between \$9 bil-
14 lion and \$13 billion. Prosecuting a war would cost
15 between \$6 billion and \$9 billion a month--although
16 CBO cannot estimate how long such a war is likely
17 to last. After hostilities end, the costs to return U.S.
18 forces to their home bases would range between \$5
19 billion and \$7 billion. Further, the incremental cost



1 of an occupation following combat operations could
2 vary from about \$1 billion to \$4 billion a month.”.

3 (3) On January 19, 2003, Secretary of Defense
4 Donald Rumsfeld underestimated the cost of a war
5 in Iraq and United States obligations to fund the
6 war, stating “Well, the Office of Management and
7 Budget has come up with a number that’s something
8 under \$50 billion for the cost. How much of that
9 would be the U.S. burden, and how much would be
10 other countries, is an open-question.”.

11 (4) On February 27, 2003, Deputy Secretary of
12 Defense Paul Wolfowitz refused to provide the Com-
13 mittee on the Budget of the House of Representa-
14 tives with a possible cost for the war, stating “I
15 think it’s necessary to preserve some ambiguity of
16 exactly where the numbers are.”.

17 (5) On March 27, 2003, Deputy Secretary of
18 Defense Wolfowitz suggested that Iraqi oil revenues
19 could pay for the cost of removing Saddam Hussein
20 from power. He testified “There’s a lot of money to
21 pay for this that doesn’t have to be U.S. taxpayer
22 money, and it starts with the assets of the Iraqi peo-
23 ple . . . and a on a rough collection, the revenues
24 of that country could bring between \$50 and \$100
25 billion over the course of the next two years.”.



1 (6) On March 27, 2003, Secretary of Defense
2 Donald Rumsfeld expressed his belief that the
3 United States would not bear the burden of recon-
4 struction costs in Iraq. He testified "I don't believe
5 that the United States has the responsibility for re-
6 construction, in a sense . . . [Reconstruction] funds
7 can come from those various sources I mentioned:
8 frozen assets, oil revenues and a variety of other
9 things, including the Oil for Food, which has a very
10 substantial number of billion of dollars in it."

11 (7) On April 11, 2003, Secretary of Defense
12 Rumsfeld attempted to downplay Iraq reconstruction
13 needs, commenting "I don't know that there is much
14 reconstruction to do [in Iraq]."

15 (8) On May 12, 2004, President Bush formally
16 proposed an initial \$25,000,000,000 for military and
17 reconstruction operations in Iraq in fiscal year 2005.

18 (9) On May 14, 2004, Deputy Secretary of De-
19 fense Paul Wolfowitz suggested that President
20 Bush's request for Iraq funding in fiscal year 2005
21 is less than half of what will be actually needed, tell-
22 ing the Committee on Armed Services of the Senate
23 that next year's total cost "is \$50 billion to \$60 bil-
24 lion".

1 (10) As of May 17, 2004, Congress has already
2 appropriated \$148,000,000,000 for costs associated
3 with the current war in Iraq, including funding for
4 reconstruction and maintenance of forces, a total
5 which is approximately three times the cost Sec-
6 retary of Defense Donald Rumsfeld suggested on
7 January 19, 2003.

8 (b) IRAQI REPAYMENT OF RECONSTRUCTION
9 COSTS.—

10 (1) CREATION OF FUND.—(A) The President
11 shall direct the Administrator of the Coalition Provi-
12 sional Authority in Iraq, in coordination with the
13 Iraqi Governing Council or a successor governing
14 authority in Iraq, to establish a Reconstruction Re-
15 payment Fund (referred to in this subsection as the
16 “Fund”) within the Development Fund for Iraq.
17 The purpose of the Fund shall be to obtain financ-
18 ing for the reconstruction of the infrastructure in
19 Iraq and to make repayments to the United States
20 for costs incurred to date and any future costs for
21 reconstruction of the infrastructure in Iraq by
22 collateralizing the revenue from future sales of oil
23 extracted in Iraq.



1 (B) The Coalition Provisional Authority shall
2 obtain financing for the reconstruction of the infra-
3 structure in Iraq through—

4 (i)(I) issuing securities or other financial
5 instruments; or

6 (II) obtaining loans on the open market
7 from private banks or international financial in-
8 stitutions; and

9 (ii) to the maximum extent possible, securitizing
10 or collateralizing such securities, instruments, or
11 loans with the revenue from the future sales of oil
12 extracted in Iraq.

13 (2) REPAYMENT OF DEBT TO FOREIGN COUN-
14 TRIES.—The President shall ensure that the Fund is
15 used by the Iraqi Governing Council of Iraq or a
16 successor governing authority in Iraq to fulfill debt
17 obligations to foreign countries accrued by the
18 former government of Iraq contingent upon timely
19 repayments by Iraq to the United States for costs
20 described in paragraph (1)(A).

